

The Facts About PowerSchool

Last week, Pearson announced that it intends to explore options for a sale of its SIS business, which includes PowerSchool. **(Please see Customer Letter and FAQs at the end of these facts.)** Unfortunately, but perhaps predictably, some of our competitors are using this announcement as an opportunity to make false statements about PowerSchool. So, we want to dispel any rumors and give you the facts!

Fact #1 - PowerSchool is the clear market leader...more customers choose PowerSchool than any SIS competitor, by a wide margin. PowerSchool has a 99% retention rate, a clear indication of customer satisfaction year after year. This is because over 450 development, sales, support and services professionals are delivering the most trusted, flexible SIS in the market to districts and schools of ALL sizes. We serve 40 million users globally, including 13 million students.

Fact #2 - PowerSchool is at the heart of the largest educational technology ecosystem in K12. Unique among SIS providers, PowerSchool has embraced a secure, open architecture and provided an extensive set of APIs that customers control to enable their schools to have the industry's best integrations. Today, more than 132 companies are formal members of the PowerSchool ISV program. PowerSchool is the best - and often only - choice for the foundation of your digital ecosystem.

Fact #3 - PowerSchool gives you choices. Some SIS companies try to convince you that their system does everything, so you don't need any other products. What they don't tell you is that many of their other "modules" are missing features, are hard to use, and may be difficult or impossible to replace with more fully featured products from other vendors. Companies that try to do everything usually end up not doing anything well. PowerSchool is designed from the ground up to enable you to create the best solution for your district's specific needs.

Fact #4 - PowerSchool has the largest online community. Whether its support forums, tips and training, user groups, or customization, the largest SIS community in the world can be found on PowerSource. Need a customization or report template? Odds are high that another PowerSchool user somewhere has already created it and made it available for you!

Fact #5 - PowerSchool supports more state/Federal/provincial reports than anyone. Not only does PowerSchool support more states/provinces than any other SIS company, we have the largest team in the industry dedicated to this important function. In fact, as of March 1st, 2015, PowerSchool is the only company certified in more than one state on the new Ed-Fi reporting technology. When you choose an SIS company, make sure you choose one with the proven ability to support your existing reporting requirements and a proven commitment to new reporting models.

Fact #6 - PowerSchool is still the easiest to use SIS. PowerSchool not only has the features your users need, we invest heavily in the designs to make those features easy to use as well.

Fact #7 - PowerSchool has the best mobile apps. If you want to judge the importance an SIS company places on its users, there may be no better way than looking at its mobile apps. And when you compare the family of mobile apps available for PowerSchool to any company, you'll see there is no comparison.

Fact #8 - PowerSchool continues to invest in new features. We have the largest R&D team in the SIS market and we will continue to deliver a robust pipeline of new features and enhancements!

Fact #9 - Pearson will have a long relationship with PowerSchool. Pearson has formally announced that it will join the PowerSchool ISV program and will continue to support the current integrations between PowerSchool and other Pearson products.

Fact #10 - Pearson's decision is not a reflection on the health of the PowerSchool platform. In fact, it is the opposite. The SIS business, which includes PowerSchool, is a very healthy business that is no longer aligned with Pearson's corporate mission. This is a good opportunity for Pearson to ensure that PowerSchool maintains its market-winning momentum and it affords Pearson a way to accelerate its goals in other areas.

We are working closely with our rapidly growing community of customers and partners to deliver solutions that solve your administrative and instructional needs.

Until a new owner is identified, Pearson will continue to provide the level of service and support that customers have come to expect, and we will always keep the customer as the focus of our business. The PowerSchool development team is focused on innovative technologies, such as API and Ed-Fi, which will ensure ease of use and efficiency in managing critical school and classroom data.

If you have any questions about PowerSchool, please contact your Pearson Account Manager, or call 1-877-873-1550 or visit www.PowerSchool.com. You can also find out more about this announcement on our blog at <http://www.pearsonschoolsolutions.com/blog/>.

Customer Letter

February 27, 2015

Dear Valued Customer:

We are announcing our decision to explore sale options for our Student Information System (SIS) businesses. The School Information System businesses include PowerSchool®, PowerSchool SMS, Gradespeed, and eSIS Forms. In preparation for this sale, we have decided to reorganize the SIS businesses into an integrated, stand-alone unit.

After careful consideration, we decided that these systems do not align with Pearson's stated commitment to focus on products and services that shape student outcomes in a way we can directly measure and improve. This commitment is at the heart of our business model and guides the decisions we make, and this sale demonstrates that we take that responsibility seriously.

During this transition period, our top priority is to make sure our customers continue to have a positive experience with our products. Our PowerSchool team will consist of the same dedicated professionals who currently support your schools every day. Your relationship with us will remain the same. We will do all we can to make this transition as seamless as possible for you.

These businesses have been an important and successful part of Pearson's portfolio. We have long invested in the development of our market-leading SIS products, and we are confident that a new owner will ensure these businesses continue to thrive. Student Information Systems (SIS) will continue to play a critical role in the administration of student data for attendance, grades, student transcripts, class schedules, and state reporting.

We are committed to continuing the support and services you've come to expect with Pearson. If you have any additional questions about this announcement, please contact your Pearson Account Manager.

Sincerely,

Don Kilburn
President North America

Doug Kubach
President, School

Customer FAQ

How many school districts will this affect?

Pearson's SIS systems support more than 6000 school districts and 13 million students in 78 countries with comprehensive, web-based administrative systems for managing student data including attendance, grades, student transcripts, class schedules, and state reporting.

Why did Pearson make this decision?

Student information systems are administrative in nature and do not focus on learning and learning outcomes. This decision allows Pearson to focus efforts and resources on the development of learner-centric technology and services that result in a measurable impact on student outcomes.

What percent of the market uses a non-Pearson SIS?

75% of the market uses a non-Pearson SIS. Divesting our SIS businesses will support Pearson's strategy to deliver personalized learning regardless of the SIS and remove impediments of Pearson products integrating with other SIS providers.

Does this mean Pearson doesn't value the use of data to drive quality of teaching and learning?

The Student Information Systems (SIS) businesses focus on administrative workflow and student data. These services, while crucial to the operation of schools and districts, are not used to directly measure and drive student outcomes as defined by Pearson's mission. While that means they can't be a priority for Pearson's future investment, SIS businesses remain essential to the continued improvement of student educational opportunities.

How will Pearson work with PowerSchool going forward?

Once the sale is complete, we will maintain a strong relationship with PowerSchool, including joining the PowerSchool Partner Program (ISV).

What is the ISV Program?

PowerSchool's application programming interface (API) tools have enabled the PowerSchool team to build the largest, most rapidly expanding network of education technology partnerships in K-12. Over 120 PowerSchool independent software vendor (ISV) partners work with PowerSchool to deliver connected solutions in areas such as special education, online registration, data analytics, and parental and student engagement to the administrators, teachers, parents and students that use PowerSchool. Moving forward, Pearson will continue to partner with PowerSchool through the ISV program. PowerSchool and its partners, such as Blackboard®, SchoolMessenger®, InfoSnap® and Schoology® work collaboratively to bring flexible, integrated solutions to PowerSchool customers.

Will PowerSchool continue to integrate with Pearson products?

Many of the Pearson products, such as GradPoint™, Schoolnet® and Review360®, seamlessly integrate with PowerSchool as well, providing schools with expanded functionality to support instruction, assessment and reporting, and saving schools time, money and resources. PowerSchool will continue to support the Schoolnet+PowerSchool integration.

What can I expect during the process to explore the divestiture?

During this transition, Pearson is committed to supporting all School Systems' products currently implemented in schools and districts across the globe. Development, sales, support, services and all administrative functions will remain the same. Pearson plans no major structural changes to the business during the sale process.

Who do I call if I have questions?

Customers should call their Account Manager if they have any questions.

Will Pearson continue to support my implementation?

Yes, nothing has changed during this exploration process. Pearson will continue to support your implementation and provide implementation services under contract.

When will I know if Pearson finds a buyer for their SIS systems?

Pearson will keep customers informed throughout the process and will notify customers if/when a buyer has been located.